

Sec. 20.128A. Qualifying energy conservation devices.

(a) Definitions.

- (1) In this section, the following terms have the meanings indicated.
- (2) *Solar energy device* means an energy conserving device that:
 - (i) Uses solar energy to heat or cool a structure or to provide hot water for use in the structure; and
 - (ii) Meets national safety and performance standards set by a nationally recognized testing laboratory for that kind of device.
- (3) *Geothermal energy device* means an energy conserving device that:
 - (i) Uses geothermal energy to heat or cool a structure or to provide hot water for use in the structure; and
 - (ii) Meets national safety and performance standards set by a nationally recognized testing laboratory for that kind of device.

(b) *Credit Authorized.* In accordance with section 9-203 of the tax-property article of the Annotated Code of Maryland and the provisions of this section, the owner of real property may receive a property tax credit against the county property tax imposed on a residential structure that utilizes a solar energy device or geothermal energy device.

(c) *Amount of Credit.* The tax credit allowed under this section is the lesser of:

- (1) 50% of the eligible costs; or
- (2) \$5,000 for a heating system or \$1,500 for a hot water supply system.

(d) *Eligible Costs.* Eligible costs are those that are incurred:

- (1) Within the 12 months before the initial application for the credit; and
- (2) For the solar energy device or geothermal energy device, including any part, component, or accessory equipment necessary to operate the device, and reasonable costs associated with installing the device.

(e) *Annual Limit on Amount of Credits Granted.*

- (1) During a fiscal year, the total of all tax credits granted under this section shall not exceed \$250,000.
- (2) Credits shall be granted in the order in which the department of finance receives the complete applications under subsection (f) of this section.
- (3) A complete application that, if granted, would cause the limit set forth in paragraph (1) of this subsection to be exceeded, shall be granted in the next fiscal year or years and in the order received.

(f) *Application of the Credit.*

- (1) The amount of the credit applied in a tax year may not exceed the amount of the county property tax imposed on the property in that tax year.
- (2) Any amount of the credit not taken in the tax year in which the application is granted may be carried over for an additional two years.
- (3) When a tax credit is carried over under this subsection, the full amount of the tax credit

shall be deducted from the total annual limit set forth in subsection (e) of this section in the year in which the application is granted.

(g) *Application for the Credit.*

(1) An applicant for a tax credit under this section shall submit an application to the Director of Finance on or before April 1 prior to the taxable year for which the credit is sought.

(2) An application shall:

- (i) Be on the form that the director requires;
- (ii) Demonstrate that the taxpayer is entitled to the credit; and
- (iii) Include a certification from the department of inspections, licenses and permits stating that the device for which the credit is sought:
 - 1. Is a solar energy device or a geothermal energy device; and
 - 2. Has been properly installed.

(h) *Effective Date.* The credit authorized by this section applies to tax years beginning after June 30, 2007.

(Ord. No. 69, 2006, § 1)